

PT Bukit Asam Tbk

Corporate Presentation – 9M 2018



Agenda

1. Introduction
2. 9M 2018 Update
3. Company Overview



1. Introduction

PT Bukit Asam Tbk



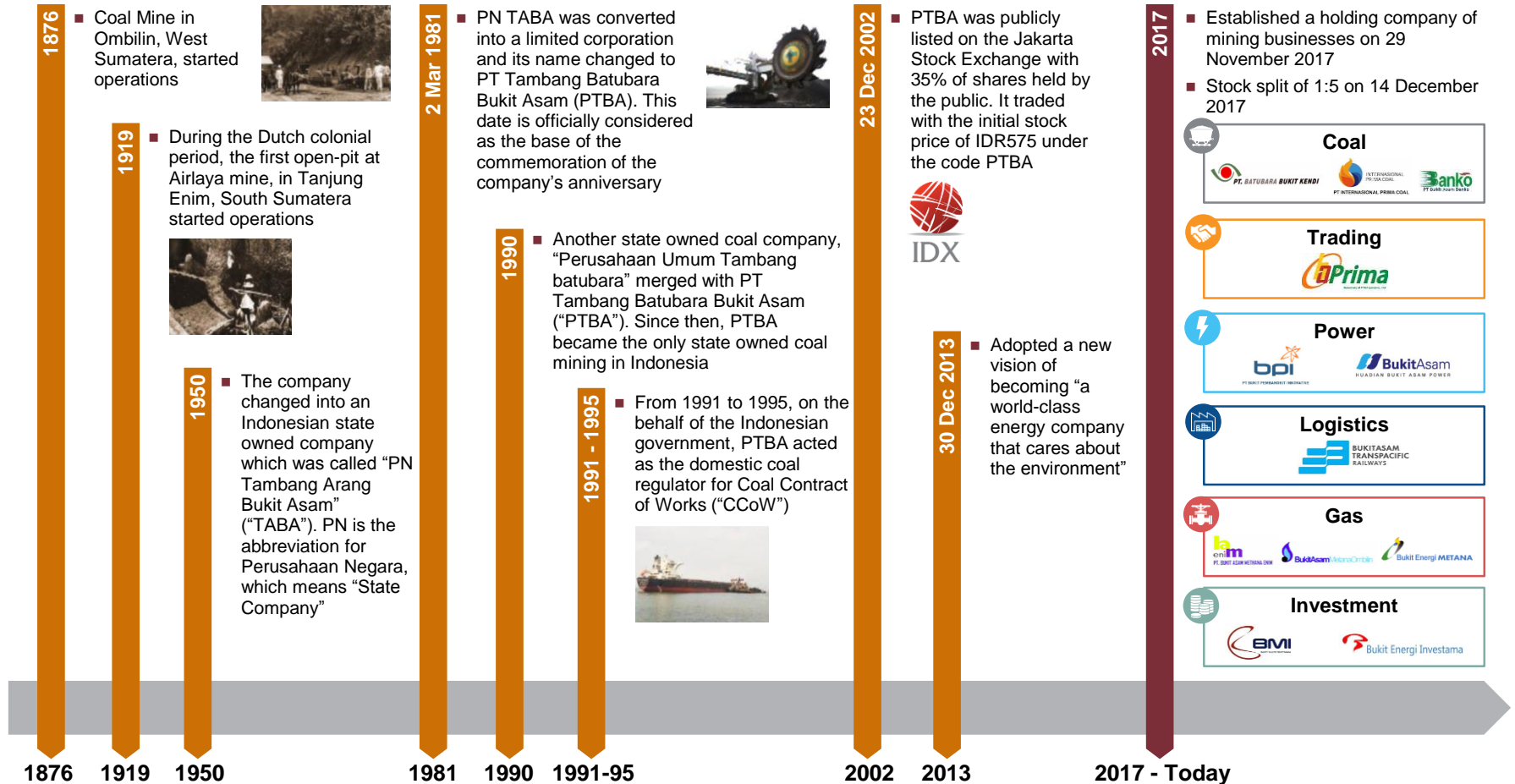
PT Indonesia Asahan Aluminium (Persero)
owns ~65% of total shares

The subsidiaries



- PT Bukit Asam Tbk (“PTBA” or the “Company”) operates a fully integrated large coal mining in Tanjung Enim (South Sumatera), Ombilin (West Sumatera), Peranap (Riau), and East Kalimantan.
- PTBA continues to diversify its source of revenues – The Company’s core coal mining business is supported by the development of other businesses in power generation, logistic, and investment.

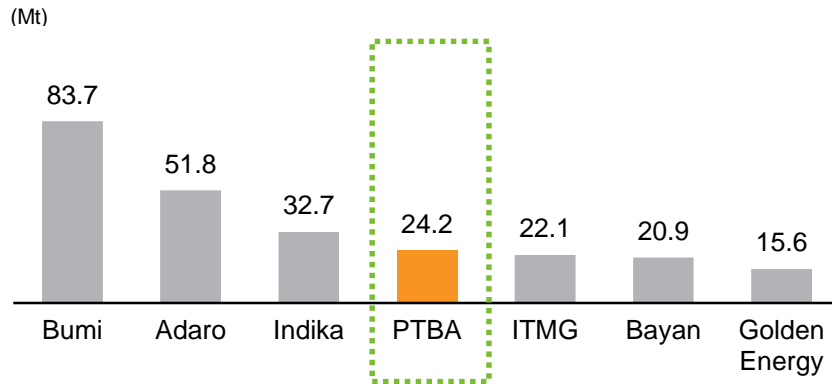
Key milestones



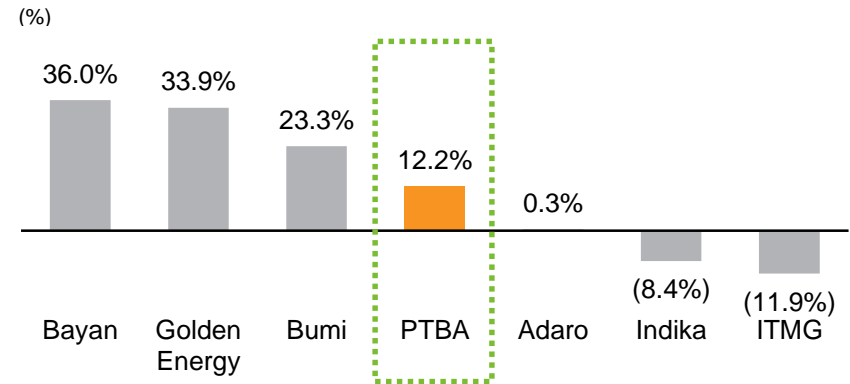
PTBA is Indonesia's Oldest and Most Experienced Coal Producer

PTBA is one of the Fastest Growing and Lowest Cost Coal Producers in Indonesia

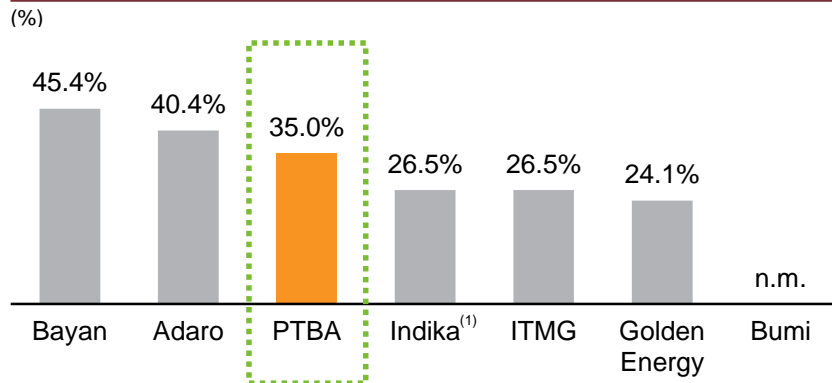
2017 Coal Production



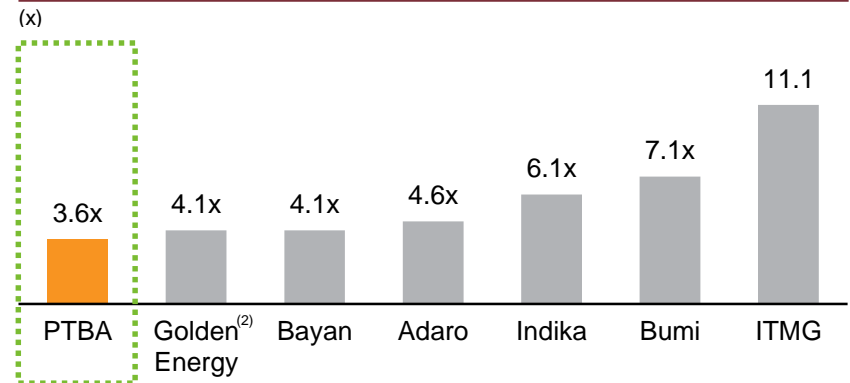
2015 – 2017 Production CAGR



2017 EBITDA Margin



2017 Weighted Average Stripping Ratio



Source: Company filings.

(1) Adjusted EBITDA.

(2) Refers to the strip ratio of BIB concession area.

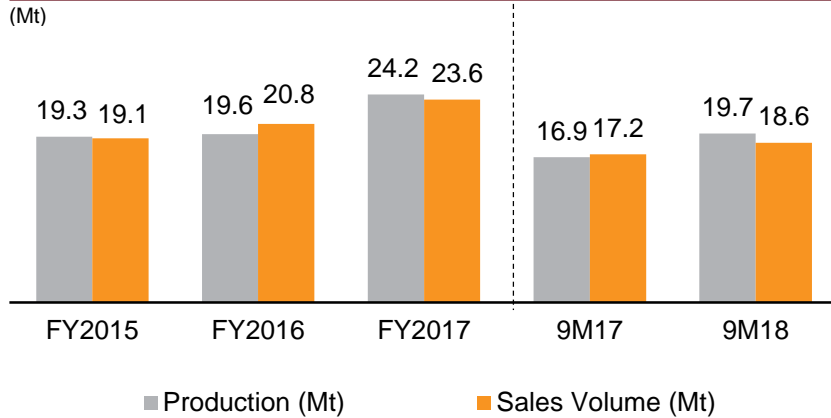
2. 9M 2018 Update

Key performance highlights

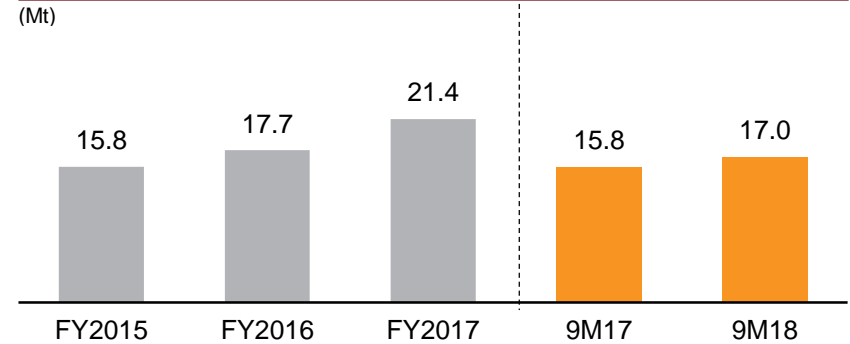
	FY18E	9M17	9M18	9M18 vs 9M17 (% change)
Sales volume (Mt)	25.88	17.24	18.58	7.8%
Production (Mt)	25.54	16.91	19.68	16.4%
Railway capacity (Mt)	23.10	15.79	16.97	7.5%
Revenue (IDR TN)	n.a.	13.29	16.04	20.7%
Net profit (IDR TN)	n.a.	2.63	3.93	49.7%
Weighted average selling price (IDR/t)	n.a.	745,775	841,655	12.9%
Stripping ratio (x)	4.37	3.77	4.11	9.1%

Key operational highlights

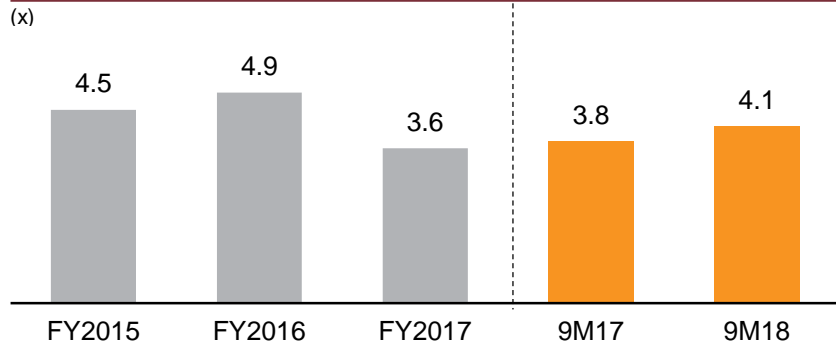
Production and sales volume



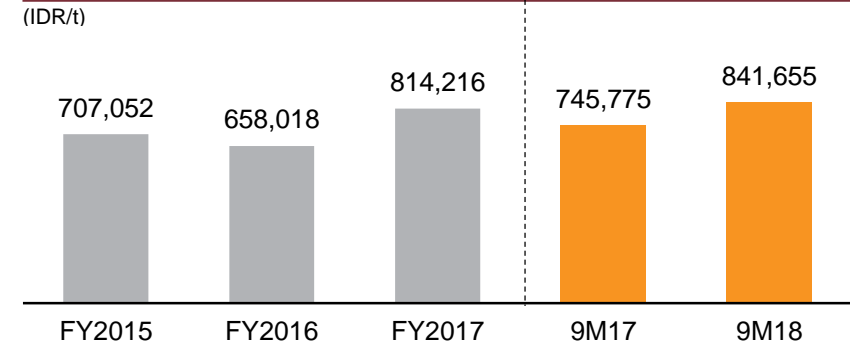
Railway capacity



Weighted average stripping ratio

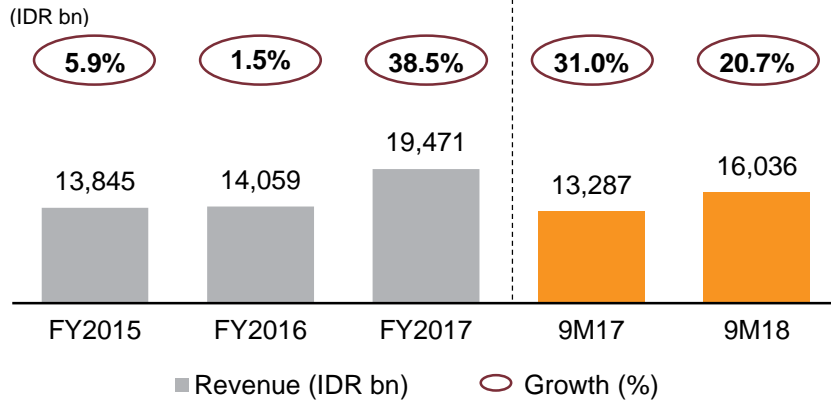


Weighted average selling price

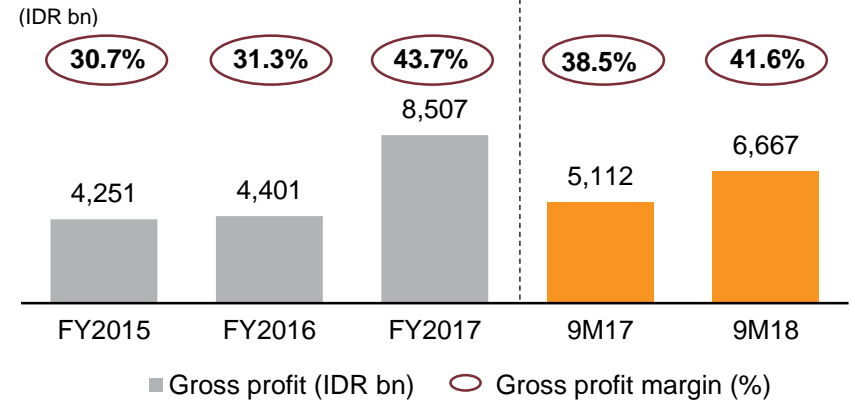


Key financial highlights

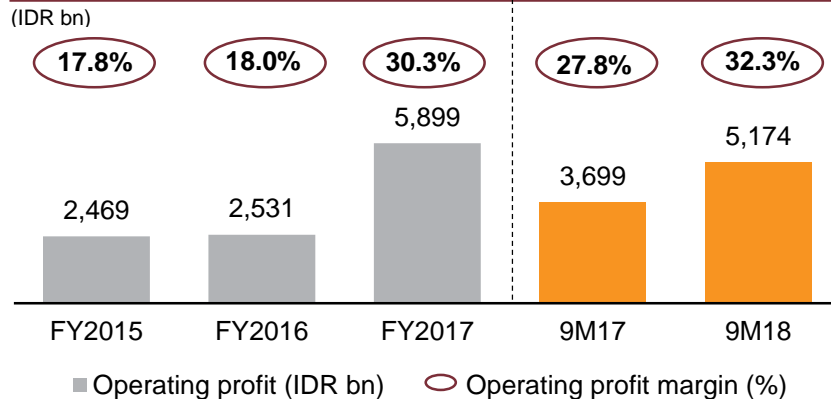
Revenue and growth



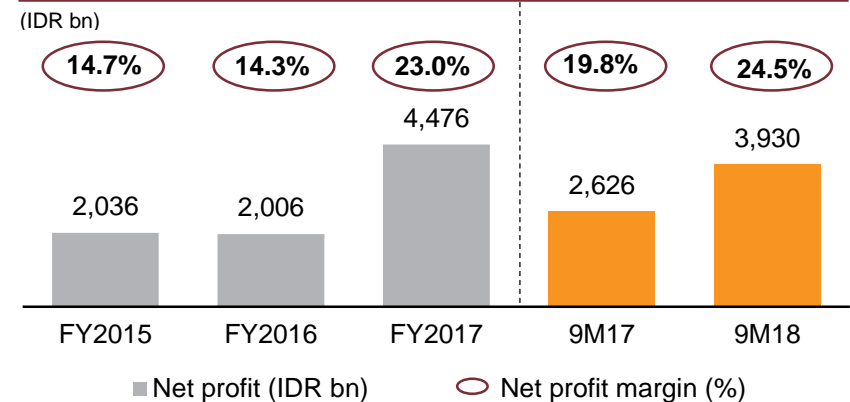
Gross profit and margins



Operating profit and margins

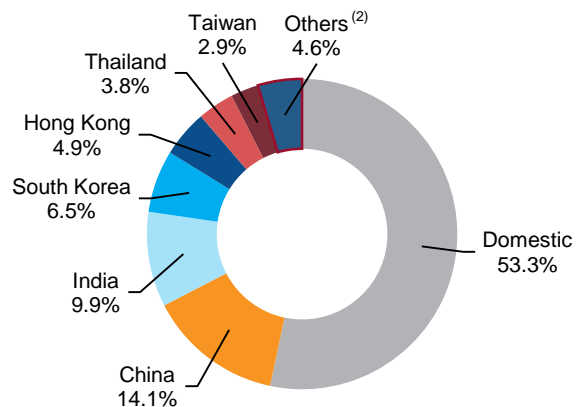


Net profit and margins

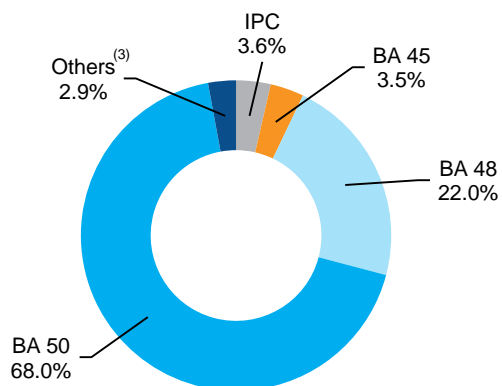


Key financial highlights (cont'd)

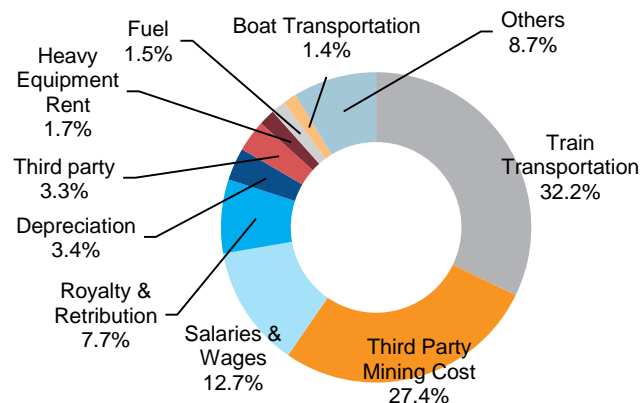
9M18 sales breakdown by country⁽¹⁾



9M18 sales breakdown by quality⁽¹⁾



9M18 cost breakdown



Total cash cost (FOB)⁽⁴⁾

Tanjung Enim cash cost (IDR '000/t)	9M17	9M18	9M18 vs 9M17 (% change)
Total	565.7	560.5	(0.9%)

(1) Breakdown based on sales distribution per ton.
 (2) Others include Cambodia, Japan, Vietnam, Malaysia, Philippines, Pakistan
 (3) Others include BA55, GAR 6100, BA 64, GAR 6700, ANS, Peranap.
 (4) Include COGS, G&A, Selling Expenses, Inventory and Royalty.

3. Company Overview

Company Overview



1

Significant coal sales exposure to Indonesia market and benefiting the most from growth in domestic coal demand

2

Expanding railways capacity to Sumatra mines



3

Resilient operational track record, further propelled by the optimism of railway capacity and future development projects

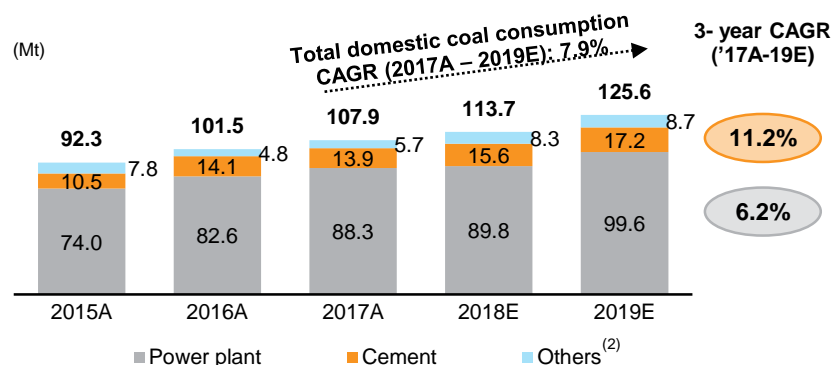
4

Robust financial strength with strong net cash position

1 Significant coal sales exposure to Indonesia market and benefiting the most from growth in domestic coal demand

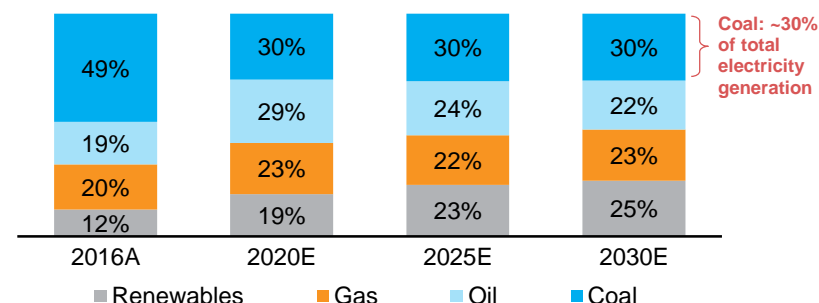
Domestic coal consumption expected to grow at ~8% ⁽¹⁾

- Overall coal domestic consumptions is expected to grow at 7.9%, largely driven by demand from power plants and cement industry



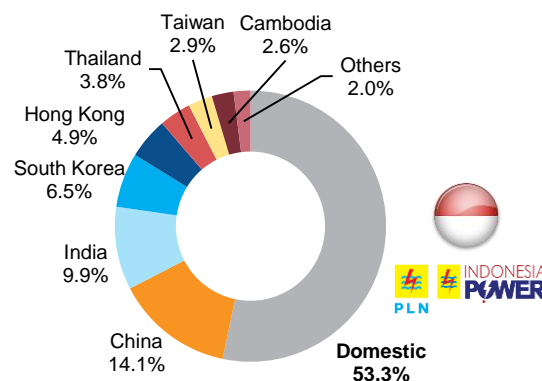
Coal remains the key source of Indonesia's energy over time ⁽³⁾

- Indonesia's energy mix is expected to undergo a transformation over the next decade that would result in more coal being consumed⁽¹⁾
- Indonesia plans to increase power generation by 35 GW Program, of which 20GW is expected to be generated using coal⁽¹⁾



PTBA's sales breakdown per country ⁽⁴⁾

- Given its strong relationship with PLN and abundant reserves (>100 years' reserve life), PTBA has one of the most attractive production growth profile among ASEAN coal miners
- As the world's largest consumer and producer of thermal coal, China remains a key export market to PTBA, providing a stable source of revenue moving forward
- Furthermore, PTBA derives 14.1% of its 9M2018 sales from China (13.0% in FY2017)



Source: World Bank, Indonesia Energy Statistics.

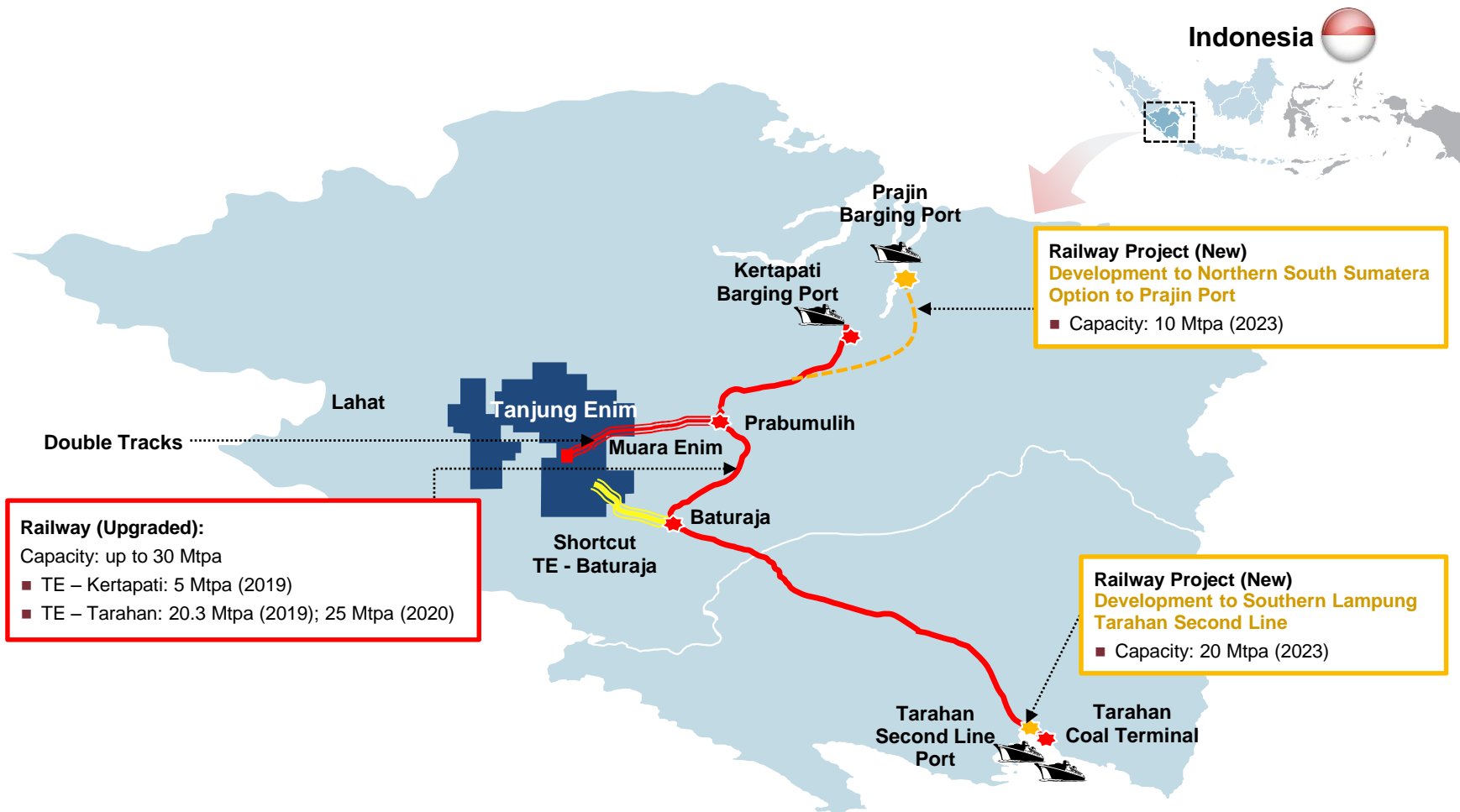
(1) Directorate General of Mineral and Coal, Ministry of Energy and Mineral Resources

(2) Others include Metallurgy, Fertilizer, Textile, Paper and Briquette industries.

(3) 2020E – 2030E forecasted electricity generation composition as reported by the Indonesia Energy Statistics. 2016A data based on BMI.

(4) Breakdown based on sales distribution per country in tons as of 9M2018

Expanding railways capacity to Sumatra mines



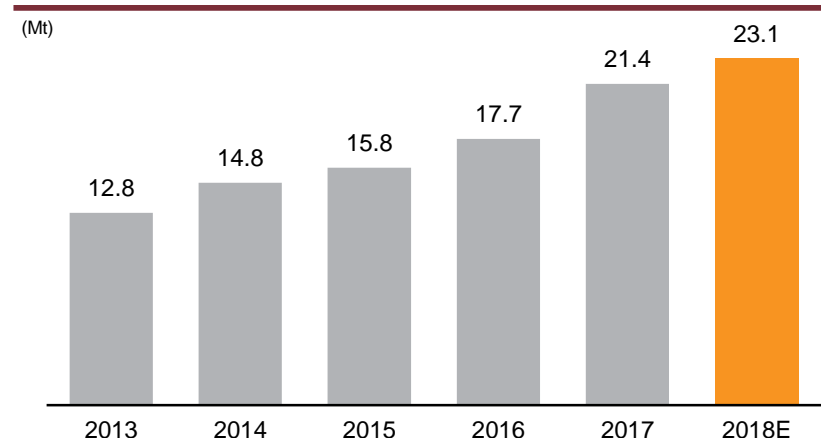
The Tanjung Enim Mine (25 Mtpa existing production capacity) and Tarahan Port (largest coal terminal in Sumatera, accommodating “Capesize” bulk carrier vessels of up to 210,000 DWT) are 100% owned and operated by PTBA

3 Resilient operational track record further propelled by the optimism of railway capacity and future development projects

Optimisation of railway capacity and future expansion projects

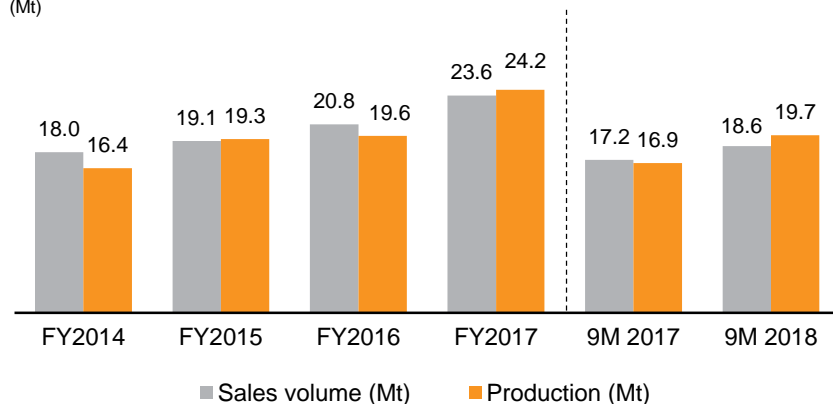
	Existing capacity	Estimated capacity upgrade
New railway projects		
Tanjung Enim – Prajin	■ n.a.	■ 10 Mtpa (2023)
Tarahan Second Line	■ n.a.	■ 20 Mtpa (2023)
Railway upgrades		
Tanjung Enim – Kertapati	■ 3.7 Mtpa	■ 5 Mtpa (2019)
Tanjung Enim – Tarahan	■ 19.4 Mtpa	■ 20.3 Mtpa (2019) ■ 25 Mtpa (2020)

Increasing railway capacity



Production and sales volume

(Mt)

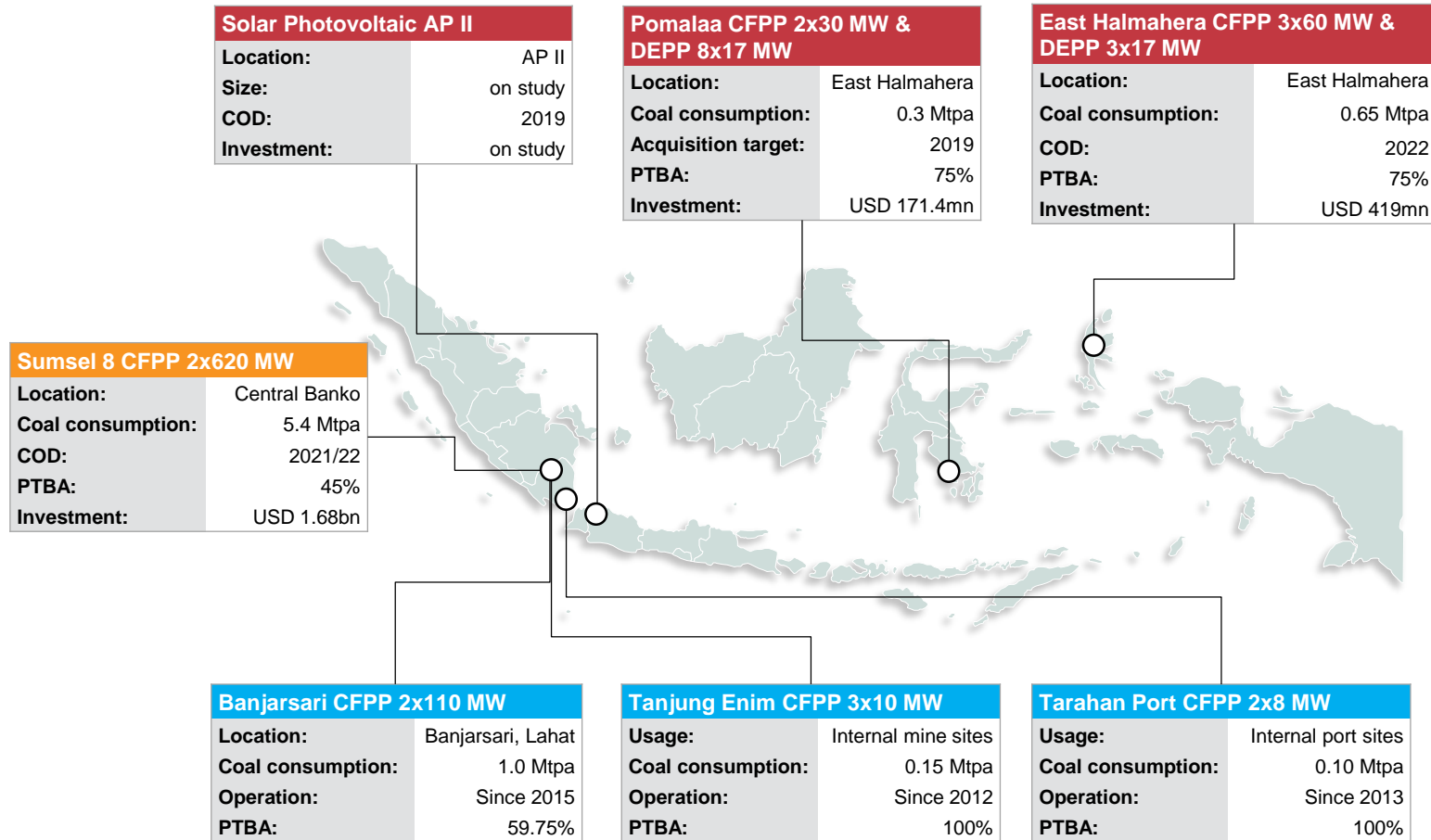


- Production and sales volume have increased on year on year basis; 9M2018 production is 19.7 Mt (+16.4% YoY, vs 16.9 Mt in 9M2017) and 9M2018 sales is 18.6 Mt (+7.8% YoY, vs 17.2 Mt in 9M2017)
- Management expects the optimisation of existing railway capacity to result in a better outlook in FY2018 onwards

Development projects

Power Plants

Total Power Plant ~ 1,900 MW



Legend:

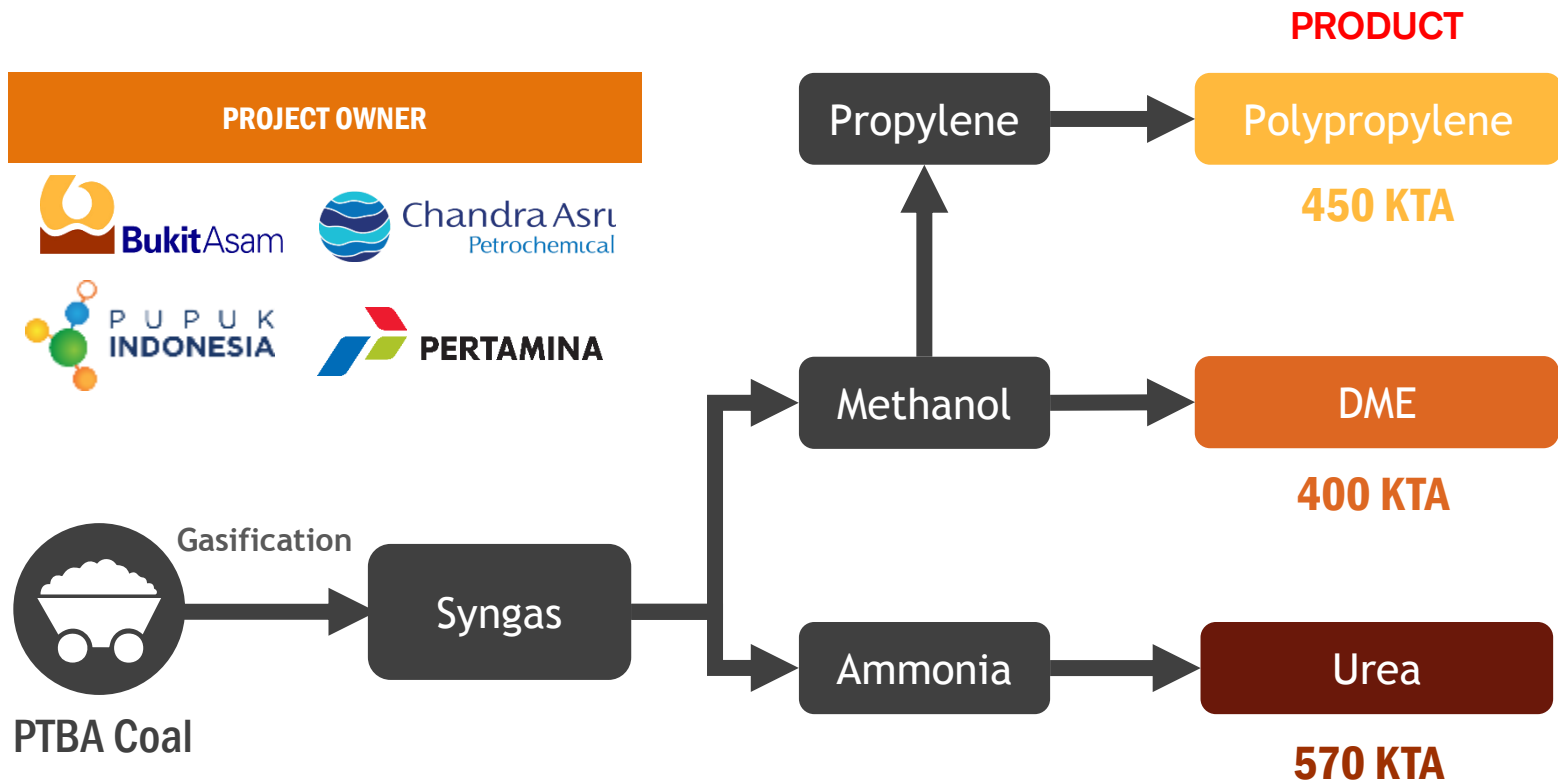
■ Tender / Feasibility Study Process

■ Construction

■ Operated

Development projects

Coal to Chemical Plant

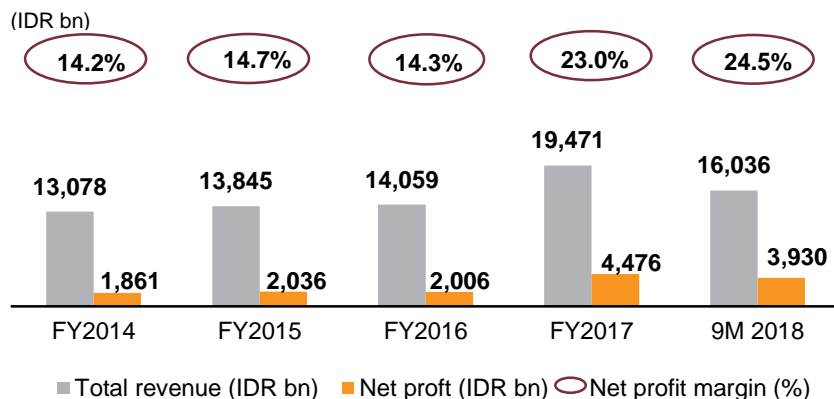


Coal Consumption

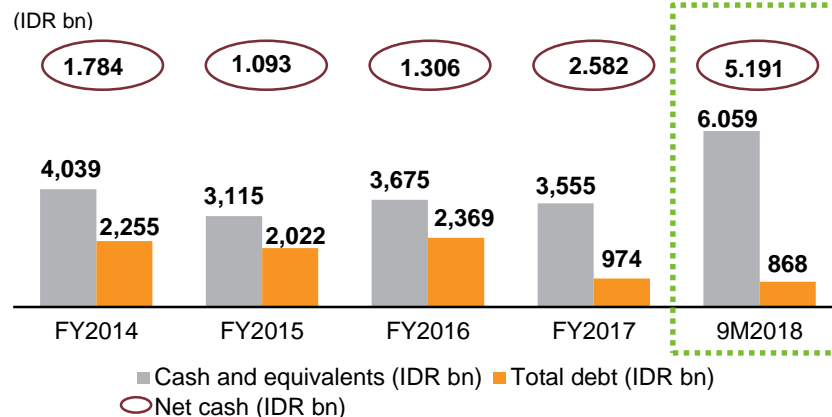
Feedstock	5.5 Million Tpa
Power Plant	3.5 Million Tpa
Total	9 Million Tpa

4 Robust financial strength with strong net cash position

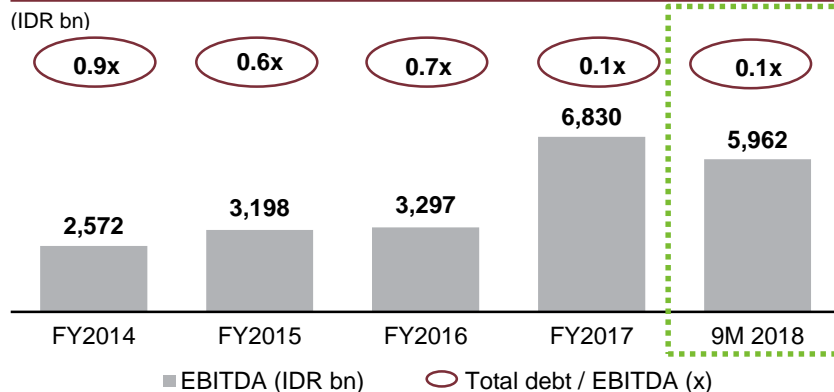
Total revenue, net profit, and net profit margin



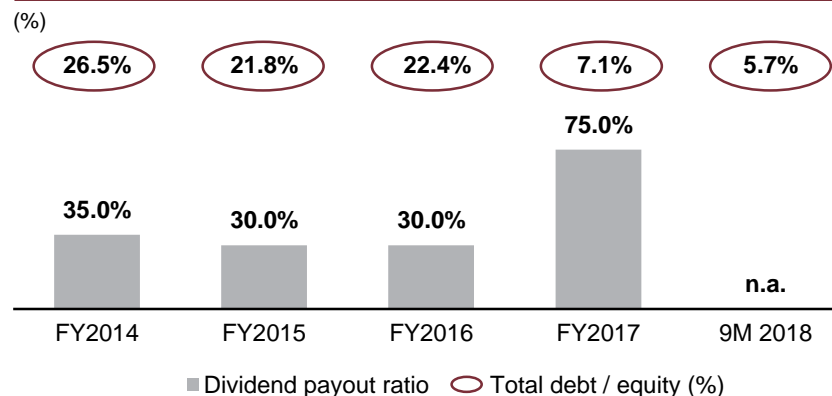
Minimal debt ⁽¹⁾ with overall net cash position



EBITDA and Total debt ⁽¹⁾ / EBITDA ratio



Low leverage ⁽¹⁾ with min. 30% dividend payout ratio over the last few years



Significant improvement in operating margins driven by lower stripping ratio, favourable transportation and increasing the portion of in-house mining contractor

Strong balance sheet with low net gearing and good cash flows

(1) Total debt includes bank borrowings and finance lease obligations.



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These forward-looking statements involve inherent risks and are subject to a number of uncertainties, including trends in demand and prices for coal generally and for our products in particular, the success of our mining activities, both alone and with our partners, the changes in coal industry regulation, the availability of funds for planned expansion efforts, as well as other factors. We caution you that these and a number of other known and unknown risks, uncertainties and other factors could cause actual future results or outcomes to differ materially from those expressed in any forward-looking statement.